

with creativity, skill, energy, and success, and to say they are the ones we are going to continue to reward defies any logic. Why are we not trying to reward and help the struggling families who are trying to pay their basic bills?

Take a look at this chart. In terms of the Bush tax cut, the benefit for those making about \$40,000 a year is \$265, but if you happen to be a millionaire—\$1 million of annual income—the Bush tax cut is worth almost \$89,000.

PAUL SARBANES was right—and I am going to credit him for this only one time and never again—the Bush tax cut is clearly a policy of leave no millionaire behind.

Mrs. BOXER. Every year?

Mr. DURBIN. Every year this is what it comes down to. Frankly, this is the average annual tax cut for millionaires, an annual tax cut of \$89,000.

What does the President cut to provide these tax cuts? Money for schools. Under his program, the education legislation, No Child Left Behind, the schools have all the mandates for testing, for evaluation, and for improvement, but the President will not put the money on the table. This is a President who posed for those holy pictures with the leaders in education in Congress, saying he was the education President, and yet when Mitch Daniels and OMB had a chance to write a budget, they did not put the money there. It is an unfunded mandate to the States when the States are desperately in trouble. The President cannot find the money to fund education, to fund his bill, but he can find money for a tax cut for the wealthiest people in America. He has abandoned No Child Left Behind so he can embrace a tax policy of no millionaire left behind, and that to me is unforgivable.

That is the difference in the approach between the two parties, and that is the difference we need to dramatize as we talk about tax policy and spending policy in this Congress.

Mr. NELSON of Florida. Will the Senator yield?

Mr. REID. If I can respond to the Senator from Illinois. Senator HARKIN has done a wonderful job working with Senator SPECTER on the appropriations subcommittee dealing with Health and Human Services, Labor-HHS, and he has done a lot for making sure we have money for school construction. We do not have nearly what we need. A little bit helps.

The unfunded school construction in this country today, as we speak, is \$189 billion. The average school in America is 45 years old. A lot of places, Florida and Nevada especially, have rapid growth and need to build new schools, and school districts are at the limit of what they can do with floating bonds.

The Senator from Illinois is absolutely right. I was in the Chamber when the Senator from Illinois said schools are cutting back to 4-day weeks. When we are fighting to keep up with the demand of modern education, we are cutting back a day of these

young kids' lives. I think it is just awful.

I so much appreciate the Senator from Illinois bringing to our attention that we have to take care of priorities. Where are these tax cuts coming from? It is not as if there is a big building someplace down at 16th and Pennsylvania Avenue where they can go in and start hauling out wheelbarrows of money.

Mr. DURBIN. Will the Senator yield? They are coming from the Social Security trust funds.

Mr. REID. Absolutely.

Mr. DURBIN. When baby boomers are about to retire and counting on Social Security, we are going to have the trust funds even deeper in debt, and the debt we are leaving behind is for our children and grandchildren. This approach betrays two generations: the baby-boomer generation and our children, who are going to have to pay off the debts incurred to give tax breaks to the wealthiest people in America at this moment in history.

Mr. REID. To Michael Eisner, who does not want a tax cut—he has not told me that, but he does not need it. That money is going to Michael Eisner, and children in America are going to school 4 days a week. Not fair.

Mr. NELSON of Florida. Will the Senator yield?

Mr. REID. I yield the floor.

The PRESIDING OFFICER. The Senator from Florida.

STIMULATING THE ECONOMY

Mr. NELSON of Florida. Mr. President, I wish to discuss this same issue and do it with a different approach. We have been talking about the unconscionable cuts in education. We are about to see some huge cuts in homeland defense. A lot of this burden is being shifted to the States.

On the question of local law enforcement and the question of port security, my State of Florida has 14 deep-water ports. The ports are an obvious target for those who are trying to do bad things to us. Right now only 3 percent of all the containers coming into this country are, in fact, inspected. A lot of this financial burden is being shifted to the States with the cuts that are being proposed in this coming appropriations bill to homeland defense.

Wait until there is another attack, and then what is going to be the answer when this administration did not insist on an appropriations bill that would fully fund the adequate protection for this country's homeland?

To come back to the issue of a tax cut, coming from Florida, I have a lot of folks who are retirees with a percentage of the population that is well above the national average—that is 65 and above—and, therefore, a lot of our population looks to income from dividends. In an ideal world, it would certainly be good if we could cut the tax on dividends and eliminate it, but we are not in an ideal world. We are in a

war. We have increased expenses for war and, at the same time, we are in a sick economy.

We need to get this economy moving again. We need to stimulate this economy. How can we do that? We can do it by putting dollars in the pockets of everyone across the board so they will spend and let those dollars circulate through the economy and, thus, rev up the economic engine.

There is something else we can do with regard to business. We can give business the incentive to invest in more plant and equipment in the short term to create more jobs and to get the engine of the economy stoked up again. How can we do that? We can accelerate depreciation—not 5 years from now, not 3 years from now, but accelerate depreciation in the next year.

If we are looking at what works with regard to stimulating the economy, it would be my suggestion—and I think this is common sense—we pick tax policies and tax cuts that will directly do that now, not some hoped-for stimulation several years down the road.

When we balance that against all the needs in a huge deficit situation that is being projected as \$250 billion in this present fiscal year—in other words, we are spending \$250 billion more than we have coming in in tax revenue. When we realize that the sick economy is, in part, a reflection of lack of confidence of the American people in the future of the economy because of the deficit spending, while at the same time we are going into a war where we are going to have more expenditures, then the tax cuts that should be used should be surgically and strategically determined in order to stimulate the economy.

It would be this Senator's opinion that even though I would like very much to eliminate the tax on dividends and that would help a lot of my people, the first requirement of our people in Florida and this country is to get this economy moving again and to stimulate the economy. We could be much wiser in how we approach our ultimate decision on this stimulus of the economy through a tax cut.

I have been quite disturbed by what I see emerging as a means of cramming an appropriations bill down the throat of Congress by bringing about a number of major cuts in homeland security and education. The mechanism that is being employed is under the gun of shutting down the Government at the end of this month. A continuing resolution is being proposed, which is a resolution that continues the funding of Government under last year's appropriations levels, up through the end of this month, but there is a threat of shutting down the Government on January 31 unless there is a new continuing resolution or continuing funding of the Government. There are huge cuts being proposed in homeland security and education but some of us are going to fight that as not in the best interest of this country.

Ultimately, we are being maneuvered into a position, are you going to shut down the Government by refusing to enact a continuing resolution or are you going to accept that and accept it at last year's levels, which would totally not have our country prepared for the defense of this homeland? That does not make sense to this Senator, and that is not in the interest of my State particularly since it seems as if whatever happens often happens first in Florida.

Anthrax happened. We even had a kid flying a plane into a tall building. We have the threats in the 14 deepwater ports in Florida of what kind of cargo could come in that would never be inspected. It could not even come in on a commercial cargo ship. It could come in on a pleasure craft. So many of the ports of this Nation have deepwater access all the way up to a highly urbanized downtown area. There is the opportunity for mischief by those who want to do damage to the United States.

I urge upon my colleagues that we be very careful as we approach these decisions on the appropriations bills, and on the concurrent decisions on tax policy, that we do what is in the interest of the defense of this country and also in the interest of the stimulus of getting this sick economy moving again.

I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan.

Ms. STABENOW. Mr. President, I rise today to speak about the need to truly stimulate our economy and create jobs and how we can do that in a way that is fair for everyone, that puts dollars back in the pockets of middle-class Americans who we know literally drive the economic engine by buying cars, homes, clothes for their children, groceries, and all of the other purchases that keep our economy going.

I have grave concerns about the so-called economic proposal that has come from the President. In fact, it does not meet the definition of that term, and I have great concern because it does not put the majority of money back in the pockets of people who drive the economic engine.

We can come together on issues such as eliminating the marriage tax penalty, increasing the child credit, and helping small businesses, which by the way are the majority of new jobs being created today. The majority of new jobs is coming from small businesses. We need to be focusing on ways to help small businesses pay for their health care and to have the kinds of incentives they need to invest back in their companies so they will grow.

When we look at the proposal the President has brought forward, if we were to come together, we could easily pass relief as it relates to the marriage tax penalty, with bipartisan support. We could easily pass increases in the child tax credit on a bipartisan basis. We could easily support small business in ways that we can provide tax relief and other kinds of support.

The problem is two-thirds of the President's plan, the vast majority, does not do any of that. Two-thirds of the plan is focused on the very top income earners in the United States who already have one, two, or three homes, multiple cars, and who are not necessarily going to be spending these dollars back into the economy, at the expense of everyone else.

When we look at what this proposal from the White House means to Americans, taxpayers with incomes of over \$1 million would get back an average of \$88,873, almost \$89,000 coming back to them. The majority of taxpayers, the typical middle-class taxpayer in the United States of America, would get \$265. That is a huge disparity.

Some say, well, if we talk about the differences, if we talk about the fact that the majority goes to those at the very top, we are engaged in class warfare. With all due respect, that is a bunch of baloney. We are talking about how we can fairly put money into people's pockets. We want to make sure the majority of the middle-income taxpayers, the ones who are keeping the engine going, have tax relief and get dollars back in their pockets. Of course, that happens in a variety of ways. Tax relief is one. This kind of a difference is not fair. It is simply not fair.

There is another way to make sure we have money in people's pockets. That is to make sure we are not exploding the national debt and causing interest rates to rise. There is another kind of tax on people we went through in the 1980s and the 1990s. That is high interest rates. When citizens buy an automobile—coming from Michigan, I am very interested in people buying a lot of automobiles, a lot of domestically made, American-made automobiles; we want people to be able to afford that—high interest rates affect your ability to buy that new car. High interest rates affect your ability to buy your new home, or to be able to afford to send your children to college. Interest rates which directly relate to the national debt affect how much money goes in people's pockets.

This proposal of the President is not fair on its face. We are looking at the top .2 percent, 226,000 millionaires, receive more than half, almost two-thirds of all of the tax cuts being imposed; 68 percent of the people receive \$15 billion; and .2 percent of the taxpayers get \$20 billion. It is not fair on its face. If you add in the fact this is a proposal that will greatly increase the national debt on the back end, what we are doing is saddling these middle-class taxpayers and our baby boomers—of which I am one—and our children and grandchildren with more debt. We will increase interest rates and take more money out of people's pockets.

Mr. REID. If I could ask my friend from Michigan to withhold. The majority leader is on the floor with important business.

The PRESIDING OFFICER. The majority leader.

COMMITTEE RESOLUTION

Mr. FRIST. Mr. President, I will take this opportunity to update Members as to where we are in the process. We have been working in very good faith—I might add, frustrating in many ways, but very good faith—making progress over the last 8 or 9 days. That is the committee resolution. As I pointed out earlier this morning and last night, in order to get on with the Nation's business, it is important to organize our committees so Members can be on committees. On the Republican side, we began this process, assigning Republican Members to their various committee assignments. I assume, that being very basic, the other side has done that as well.

The American people do want Congress to continue to tackle the challenges we face today as a country, homeland security, the issues surrounding the spending bills and appropriations bills from the last Congress.

CONCLUSION OF MORNING BUSINESS

Mr. FRIST. I ask that morning business be closed, and I now send a resolution to the desk which would make majority party committee appointments.

Mr. REID. I have no objection to morning business being closed.

The PRESIDING OFFICER. Without objection, it is so ordered. Morning business is now closed.

MAKING MAJORITY PARTY APPOINTMENTS

The PRESIDING OFFICER. The clerk will report the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 18) making majority party appointments to certain Senate committees for the 108th Congress.

Mr. FRIST. Mr. President, I hope we can agree to this resolution in short order. Following its approval, we will proceed to the minority committee appointments, which will allow the Senate to begin the real work.

Mr. REID. On behalf of the minority leader, and I spoke to him just before coming out here, the Democratic leader and I have spoken. He feels, as does the majority leader, that we need to try to move this organizing resolution along, and both leaders have worked and assigned staff to work on it. It is moving along. We hope it can be accomplished very quickly. We are both going to go now to our weekly party conferences and this will be discussed at length with other important matters before the Senate.

I, on behalf of the Democratic Senate, understand the frustration of the majority leader. We had the same problem a year and a half or so ago. It took a while to resolve that almost 6 weeks. I certainly hope this does not take that long. I appreciate the manner and tone